

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-03 H-01 INR-07 L-02 NSAE-00

NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 ARA-06 OMB-01

MC-02 ACDA-05 EB-07 COME-00 TRSE-00 /077 W

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R 031535Z MAR 75

FM AMEMBASSY ROME

TO SECSTATE WASHDC 9821

INFO SECDEF WASHDC

CNO

CINKUSNAVEUR

USCINCEUR

USDOCOSOUTH

C O N F I D E N T I A L ROME 3068

E.O. 11652: GDS

TAGS: MASS, MPOL, PFOR, IT, US

SUBJECT: THIRD COUNTRY SALES PROCEDURES

REF: ROME MAAG MSG 141715Z FEB 75

1. MISSION HAS RECEIVED SOMWHAT QUERULOUS LETTER FROM ITALIAN NAVY REGARDING USG RESPONSE TO JUNE 1974 REQUEST (SUBMITTED THROUGH NAVAL ATTACHE IN WASHINGTON) FOR TECHNICAL PACKAGE AND REQUEST MADE IN SEPTEMBER 1974 FOR POLITICAL APPROVAL FOR SALE OF NAVAL MUNITIONS CALIBRE 5 INCH/54 TO PERU AND 5 INCH/38 TO VARIOUS NATO NATIONS AND VENEZUELA. ITALIAN NAVY EXPRESSES SHOCK THAT AFTER WAITING OVER SIX MONTHS FOR A RESPONSE THEY ARE NOW BEING ASKED TO WAIT YET ANOTHER 6-9 MONTHS AND THEN TO PAY SOME \$37,500 FOR THE TECHNICAL PACKAGE. LETTER POINTS OUT THAT IN RECENT PAST ITALIAN NAVY PROVIDED TO US NAVY GRATIS TWO SETS OF DOCUMENTATION RELATED TO MUNITIONS 76/62 FOR WHICH THEY COULD HAVE ASKED PAYMENT OF ABOUT 90,000 DOLLARS.

2. THE ITN IS ALSO PERPLEXED AS TO WHY THIRD COUNTRY TRANSFER "HAS NOT YET BEEN APPROVED AND IS APPARENTLY STILL BEING EXAMINED  
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BY THE STATE DEPARTMENT". MISSION WAS ASKED TO POINT OUT "GREAT

IMPORTANCE THIS SUPPLY (WOULD HAVE FOR THE CONTINUATION) OF THE ITALIAN (NAVAL MUNITIONS) INDUSTRY DURING PRESENT ECONOMIC CRISIS." WHILE SYMPATHETIC TO THEIR ECONOMIC PLIGHT, WE HAVE NO BASIS UPON WHICH TO JUDGE MERITS OF THE CASE AS WE DO NOT KNOW UNDER WHAT AGREEMENT THE GOI CLAIMS THE RIGHT TO MANUFACTURE THESE MUNITIONS. THEIR LETTER ADMITS THAT "ITALIAN NAVY HAS BEEN PRODUCING SUBJECT MUNITIONS FOR SOME TIME IN ACCORDANCE WITH US DESIGN AND SPECIFICATIONS PROVIDED TO ITALY SOME TIME AGO FOR THE EXCLUSIVE USE OF THE ITALIAN NAVY. MAAG HAS ASKED ITALIAN NAVY TO PROVIDE US WITH COPY OF DOCUMENTATION OF UNDERSTANDING THEY REACHED WITH USN REGARDING THESE MUNITIONS.

3. THERE MAY WELL BE NO BASIS FOR THE EXPECTATION THAT WE WOULD AUTHORIZE SALE TO THIRD PARTIES. NONETHELESS THAT IS THE EXPECTATION. MOREOVER, THE APPARENT LONG DELAY IN ANSWERING THEIR REQUEST LEADS THE GOI TO BELIEVE THAT THE DECISION IS SUBJECT TO CONSIDERATION OTHER THAN THE STRICT APPLICATION OF THE TERMS OF THE AGREEMENT.

4. EMBASSY WOULD LIKE TO BE BROUGHT UP TO DATE ON STATUS OF THE ALLEGED REQUEST OF SEPTEMBER 1974 BY ITALIAN NAVY ATTACHE TO DEPARTMENT VIA USN FOR APPROVAL OF THIRD PARTY SALES. EMBASSY WOULD ALSO APPRECIATE GUIDANCE ON RESPONSE TO BE MADE THROUGH MAAG IN ORDER TO FIELD LIKELY FOLLOW-UP APPROACHES FROM POLITICAL LEVEL GOI WHICH INCREASINGLY BEING BROUGHT INTO COMPLAINTS OF U.S. RESTRICTIONS ON SALES OF EQUIPMENT PRODUCED BY ITALIAN INDUSTRY UNDER LICENSING AGREEMENTS WITH THE U.S.

6. LETTERS (AND TRANSLATIONS) IN QUESTION FOLLOW BY POUCH.  
VOLPE

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MILITARY ASSISTANCE, MILITARY SALES  
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**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Authority:** greeneet  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
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**Reference:** 75 ROME MAAG MSG 141715Z, 75 FEB 75  
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**Review Authority:** greeneet  
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**Review Transfer Date:**  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** THIRD COUNTRY SALES PROCEDURES  
**TAGS:** MASS, MPOL, PFOR, IT, US, PE  
**To:** STATE  
**Type:** TE  
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